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6	IN THE UNITED STATES DISTRICT COURT
7	FOR THE NORTHERN DISTRICT OF CALIFORNIA
8	FOR THE NORTHERN DISTRICT OF CALIFORNIA
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10	CONNELL & ASSOCIATES, DAVID
11	CONNELL & ASSOCIATES, DAVID WILLIAM CONNELL HUBLER, and OMAR GERARDO ORTIZ CASTANEDA, No. C 17-03175 WHA
12	Plaintiffs,
13	v. ORDER STAYING ACTION
14	SHANE CLARIDGE WHITE, JACK
15	TEETERS, and YULISSA ZULAICA,
16	Defendants.
17	

This civil RICO action centers around a property in Puerto Vallarta, Mexico purchased by Thomas White, an American businessman and philanthropist who lived in Mexico until his death in 2013. White purchased the property at issue, Casa Blanca, in 1998 with the assistance of his attorneys at Connell & Associates, including plaintiff David William Connell Huber ("Attorney Connell") (Compl. ¶¶ 6, 19).

In 2003, White was detained in Thailand on charges of child prostitution and extradited to Mexico, where he was held in prison. Meanwhile, Connell & Associates continued to serve as attorneys for his business ventures in Puerto Vallarta. Among other business ventures, Connell & Associates set up Hotel Mismaloya ("HM"). In 2006, White transferred the interest

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in Casa Blanca to HM, and in 2008 he transferred the shares of HM to defendant Shane Claridge White, his adopted son, and Deborah Kelley, Shane's mother. $(id. \P 6-10, 13)$.

In 2010, White sold all of HM's assets except Casa Blanca. In 2012, however, White allegedly expressed concern that Casa Blanca was exposed to creditors and was a potential tax liability, and asked Connell & Associates to help him develop a plan to shield Casa Blanca. They discussed different options, and eventually White decided to transfer the title of Casa Blanca to a Mexican bank trust, establish a limited liability company in the United States, CBPV LLC, and name CBPV LLC as the beneficiary of the Mexican bank trust (id. \P 11–15).

In October 2012, Casa Blanca was transferred out of HM to the Mexican Bank trust with CBPV LLC as its beneficiary. In order to effect this transfer, Shane and Deborah Kelley, who owned the shares of HM, allegedly signed transfer documents and returned them to Connell & Associates. The shares of CBPV LLC were put in Attorney Connell's name. In 2013, while still in prison, White died (id. ¶¶ 12–15, 20).

Subsequently a dispute arose over who has rightful ownership of Casa Blanca. Four separate legal actions have arisen from this dispute, two in Mexico and two in the United States.

First, in May 2016, Attorney Connell filed an action in Mexico to compel Kelley to appear and provide evidence to support his claim of ownership of Casa Blanca. When Kelley did not appear at the hearing on the action, Attorney Connell took possession of Casa Blanca (id. ¶¶ 27-29). In August 2016, however, Kelley filed an appeal in the Mexican action claiming that he had not been properly notified of the hearing on Casa Blanca and asking that the decision be nullified. That appeal is ongoing.

Second, in November 2016, Kelley and his attorney Yulissa Zulaica filed criminal charges against Attorney Connell in Mexico, stating that he had fraudulently transferred the title of Casa Blanca from HM to CBPV LLC without Kelley's knowledge. This criminal action is still ongoing (id. ¶¶ 30–33).

¹ Shane has since changed his last name from White to Kelley, and is referred to hereinafter as "Kelley."

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Third, White's trust filed an action with the Probate Department of the Superior Court of the County of San Francisco on May 5, 2017, Case No. PTR-17-300845. That petition sought a declaration of ownership of Casa Blanca and other assets that are allegedly being held by Attorney Connell. He removed that action from state probate court to the United States District Court for the Northern District of California on June 2, 2017. Thomas F. White 1991 Trust v. Connell et al., No. 3:17-cv-3175-WHA.

Fourth, on the same day Connell removed the probate action to this district, he, along with plaintiffs Connell & Associates and Castaneda, filed the present RICO action. This action names the two trustees of the Trust that initiated the probate action, Teeters and Kelley, and their attorney, Zulaica. Like the probate action and the two actions in Mexico, the dispute central to this suit is ownership and possession of Casa Blanca, which Attorney Connell claims defendants in this action wrongfully took control of in violation of the civil RICO statute.

On August 17, an order remanded the related probate action to the Superior Court of the County of San Francisco. Since that action will resolve the ownership of Casa Blanca, an issue central to, and likely dispositive of this dispute, this action is STAYED pending resolution of the probate court action. Upon that resolution, the parties may file fresh motions to dismiss. The parties SHALL SUBMIT a joint report on FEBRUARY 15, 2018 to inform the Court of the status of their litigations related to Casa Blanca.

IT IS SO ORDERED.

Dated: August 17, 2017. 23

WILLIAM ALSUP

UNITED STATES DISTRICT JUDGE